(a) what is the present status of the research work of coal bed methane in the Damodar river valley in Jarkhand;

(b) by when the commercial use of methane is likely to be commenced; and

(c) whether Government propose to allow private sector to convert coal bed methane into CNG and for its marketing?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) The Government has signed five contracts for exploration of Coal Bed Methane (CBM) in Damodar river valley in Jharkhand. Exploration activities in respect of 3 blocks are continuing, whereas in case of 2 blocks, grant of Petroleum Exploration Licenses (PELs) is awaited.

(b) Commercial production in some of the blocks for which contracts have been signed is expected to commence in 2007-08.

(c) Under the Contracts, the contractor has the freedom to sell CBM within India to customers on commercial principles and at market determined prices. Therefore, the Government has no role under the contracts in determining consumers. There is no restriction on the contractors to convert CBM into CNG should they find this commercially viable.

Risks involved in global expansion

4055. SHRI RAVULA CHANDRA SEKAR REDDY: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that the India and China have expressed concern over the risks to global expansion emanating from the surge in oil prices in the international markets and the consequent growing economic balances;

~~(b) if so, the details thereof~~; and

(c) the decision taken to remove such roadblocks?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) to (c) A Memorandum for enhancing Cooperation in the field of oil and natural gas between the National Development & Reforms Commission of the Peoples' Republic

of China and the Ministry of Petroleum and Natural Gas of the Republic of India was signed on 12th January, 2006, which *inter-alia* envisages encouraging cooperation between the companies and research institutions of both countries on enhancing exchange and communication in areas such as Coal Bed Methane (CBM), Underground Coal Gasification (UCG) and gas hydrates. Both CBM and UCG provide for technologies for obtaining gas from coal. It is also envisaged to encourage bilateral cooperative relationship in the hydrocarbon sector, including in the areas of crude oil trade and transportation by the companies and organization of both countries and to study developments of Asian crude oil and oil products market and measures to stabilize the Asian oil market, with the aim of enhancing the influence of both nations in the world crude oil pricing mechanism and promoting a stable supply and demand mechanism in the Asian energy market.

Consumption of petroleum products

4056. SHRI JANARDHANA POOJARY: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the domestic production, import and internal consumption of petroleum and allied products in the country during the last five years; year-wise and product-wise;

(b) whether it is a fact that prices of crude oil is increasing in the international market;

(c) if so, the details in this regard;

(d) whether Government are considering to hike the prices of petroleum, LPG, diesel, kerosene, etc., to compensate the increased outflow of exchange on import of these products; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) The details of domestic production, import and internal consumption of petroleum and allied products in the country during the last five years, year-wise and product-wise are given in the enclosed statement.

(b) and (c) Yes, Sir. The global prices of crude oil and petroleum products have been making new highs in the past two years. The